

**BOARD OF INVESTMENT TRUSTEES
MONTGOMERY COUNTY EMPLOYEES' RETIREMENT SYSTEM**

MINUTES – OPEN SESSION

Friday, January 22, 2021

(via ZOOM Video Conference)

Board Members Present:

Berke Atilla
Joseph Beach
Jeff Buddle
Michael Coveyou
Barry Kaplan
Marlene Michaelson
Gino Renne
Deborah Snead
Kelda Simpson
Brad Stelzer
George Willie
Diane Wurdeman

Staff:

Linda Herman
Marc Esen
Pat Paoli
John Feketekuty
Kevin Killeavy
Darrin Arbaugh
Ben Merrill
Yan Yan
Min Tang
Priti Mehta

Others Present:

Amy Moskowitz, Counsel to the Board
Dale Tibbitts, Office of the County Executive
Benjamin Legum, Office of the County Attorney
Phillip Nelson, NEPC
Margaret Belmondo, NEPC
Brad Atkins, Franklin Park
Melanie Fraind, Franklin Park
Jim Gasperoni, Aberdeen Standard
Ryan Sullivan, Aberdeen Standard
Tom Sanzillo, IEEFA
Jeffrey Weisner, 350 MoCo

Rick Sullivan, 350 MoCo
Donna McGee, 350 MoCo
David Goodrich, 350 MoCo
Christine Pendzich, 350 MoCo
Ken Cantor, 350 MoCo
Bertha Cerzos, 350 MoCo
Kristin Cook, 350 MoCo
Jim McGee, 350 MoCo
Benjamin Price, 350 MoCo

CALL TO ORDER

Mr. Beach called the open session of the Board meeting to order at 8:30 a.m. for a joint meeting with the Consolidate Retiree Health Benefits Trust Board.

Presentation – 350 MoCo / Institute for Energy Economics and Financial Analysis (IEEFA):

In a joint session of the boards, Mr. Weisner introduced Mr. Sanzillo to provide a presentation on the financial contribution and decline of fossil fuel sector and the outlook. Mr. Weisner noted that Mr. Sanzillo is available to answer additional questions the Board may have on the presentation.

The joint meeting was recessed at 9:15 a.m.

Mr. Beach reconvened the open session of the Board at 10:30 a.m.

Approval of Consent Agenda: Ms. Simpson moved, and Ms. Michaelson seconded, and the Board approved the items listed on the Consent Agenda.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 10:49 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, General Provisions Article, 3-305(b)(5) and (b)(7).

The Board moved back into open session at 11:36 a.m.

FY21 Revised & FY22 Requested Budget: Ms. Yan highlighted the actual versus budgeted expenses for FY20, the estimated FY21 expenses, and the projected FY22 expenses. Following discussion by the Board, Ms. Wurdeman moved, and Mr. Kaplan seconded, and the Board approved the following resolution:

2101-01 Resolved, that the Board approves the FY21 estimated and the FY22 requested budgets as presented in the meeting materials.

FY22 RSP Administrative Fee: Ms. Yan discussed the calculation of the RSP administrative expenses, the recommendation to eliminate the previously approved FY21 administrative fee, and the need to have an administrative fee charged in FY22 of \$300,000 to cover the costs associated with the administration of the Plan. Following discussion by the Board, Ms. Simpson moved, and Ms. Wurdeman seconded, and the Board approved the following resolution:

2101-02 Resolved, that the Board approves the elimination of the previously approved FY21 administrative fee and a \$300,000 administrative fee for FY22.

Compliance & Audit Committee Report: Ms. Herman presented the report and noted the recommendation by GRS, the actuary for the ERS, that the County and the Board review the price inflation assumption of 2.5 percent and investment return assumption of 7.5 percent before the next actuarial valuation due to the reduction of the assumed returns of the asset classes as noted by industry professionals. Additionally, she highlighted the comments from the external auditors related to exceptional work done by staff in the preparation of the financial statements.

Annual Ethics Disclosure: Ms. Herman requested the Board members complete their annual ethics disclosure.

Discussion – 350 MoCo / Institute for Energy Economics and Financial Analysis (IEEFA): In a joint session of the boards, the Board discussed IEEFA’s presentation and highlighted areas of agreement and disagreement. The Board believes it’s important to respond to IEEFA’s presentation and Staff will draft a communication for the Board’s review.

There being no further business of the Board, the open meeting session adjourned at 11:47 a.m.

Respectfully submitted,

Berke Attila Digitally signed by Berke Attila
Date: 2021.04.01 18:11:25 -04'00'

Berke Atilla, Secretary